

DEPARTMENT OF STATE REVENUE
LETTER OF FINDINGS NUMBER: 03-0140P
Individual Income Tax
For Calendar Year 2001

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ISSUE(S)

I. Tax Administration – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer protests the proposed penalty assessment for late payment and underpayment of estimated taxes. Taxpayer remitted its return and payment timely. However, upon review by the Department it was noted that the taxpayer had included an erroneous amount on line 21. The Department advised the taxpayer and the taxpayer remitted \$2,087.10 on December 12/27/02. \$140.10 of the \$2,087.10 was applied to the underpayment penalty. Taxpayer was assessed a penalty for late payment in the amount of \$194.70, a portion of which was also paid with the \$2,087.10.

Taxpayer filed a penalty protest letter dated March 20, 2003 that requests a penalty waiver for the underpayment penalty and the ten-percent standard penalty.

I. Tax Administration – Penalty

DISCUSSION

Taxpayer believes it has reasonable cause that all penalties and interest be abated. Taxpayer specifically states that the problem with the estimated tax payments for the year 2001 was that it stemmed from a refund it applied from its 2000 return to the 2001 return. Taxpayer states that that discrepancy has been cleared. Taxpayer states it did not intentionally underpay nor disregard the rules.

Taxpayer made an error on its return that caused the tax to be underpaid. Human error is not considered reasonable cause.

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Taxpayer has not provided reasonable cause to allow the Department to waive the penalty. The Department has no authority to waive interest.

FINDING

Taxpayer's protest is denied.

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